

# **RHODE ISLAND COMMERCE CORPORATION**

## **MEETING OF DIRECTORS**

### **PUBLIC SESSION**

**The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on August 19, 2015, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.**

**The following Directors were present and participated throughout the meeting as indicated: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

**Directors absent were: Governor Gina M. Raimondo, Michael F. McNally, Ronald O’Hanley, Donna M. Sams and Karl Wadensten.**

**Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht and Thomas Carlotto.**

#### **1. CALL TO ORDER AND OPENING REMARKS**

**The Presiding Officer called the meeting to order at 5:07 p.m.**

**indicating that a quorum was present.**

**2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES  
FOR THE MEETING HELD ON JULY 27, 2015**

**Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Nee, the following vote was adopted:**

**VOTED: To approve the Public Session Minutes for the meeting held  
on July 27, 2015**

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**Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

**Voting against the foregoing were: None.**

**3. TO CONSIDER FOR APPROVAL RULES IN RELATION TO THE TAX  
STABILIZATION INCENTIVE PROGRAM, INNOVATION NETWORK  
MATCHING GRANT PROGRAM, INNOVATION VOUCHER PROGRAM  
AND INDUSTRY CLUSTER GRANT PROGRAM.**

**Mr. Buonanno introduced Secretary Pryor to discuss the proposed rules presented to the Board for consideration.**

**Secretary Pryor began by discussing the Tax Stabilization Incentive Program. He noted that the program provides payment to a municipality of up to 10% of foregone revenue for a tax stabilization agreement with a term of not less than twelve years. The Secretary explained that the program is intended to incentivize communities to grant tax stabilization agreements and help overcome potential obstacles at the municipal level.**

**Mr. Nee commented that this type of incentive is long overdue.**

**Ms. Lovejoy inquired whether other states have similar programs and Secretary Pryor indicated that while the program may not be entirely unique he is unaware of another program that provides a partial reimbursement of foregone revenue.**

**Mr. Kelly noted that the predictability of the program is what executives like himself are looking for.**

**Mr. Buonanno asked if the program is successful could the incentive percentage be increased and the Secretary indicated that it would require legislative approval but if it is successful he anticipates such**

interest from legislators.

The Secretary next introduced the Innovation Vouch Program. He described the administration's goal of building an innovation economy that is more robust. Secretary Pryor gave a brief overview of the rules, which are aimed at providing for research and development to Rhode Island businesses from research institutions such as colleges, universities and hospitals. He explained that the corporation will pledge a voucher to an applicant business to redeem at research institutions. The rules have a rebuttable presumption that provides that the research institution must be located in Rhode Island.

Mr. Buonanno questioned what hesitation might exist for a business not to access the program. Secretary Pryor indicated that the program needs to be easily accessible and hassle free to encourage businesses to access the program.

Ms. Lovejoy inquired relative to the limitation to Rhode Island research institutions if a business is aware that the needed expertise is available in another state. Secretary Pryor indicated that the rebuttable presumption permits a company to obtain out-of-state resources, however, the rules help focus the spotlight on Rhode Island's resources first.

Mr. Nee asked if the Corporation was in a position to help businesses

find these resources in Rhode Island. Secretary Pryor responded that certainly the Corporation is well positioned to provide this support and identify local partners to provide the necessary research and development. Christine Smith indicated that she has spoken to all the colleges and universities regarding the program and the corporation is poised to help match businesses to research and development capacity.

Mr. Buonanno noted that it would be useful to have a marketing package that focuses on what, for example, the colleges and universities can provide.

Dr. Carriuolo posited that the corporation's staff is oftentimes hearing a business's needs, which might be communicated to the many institutions that have the potential to provide the research and development to determine if a fit exists. The Secretary commented that it makes sense to develop a system that allows for the needs to be communicated to potential partners by the corporation.

The Secretary next addressed the Innovation Network Matching Grant Program, which is aimed at fostering the innovation ecosystem. The program is focused on organizations with demonstrated track records of providing technical assistance, space on flexible terms, access to capital and/or a portion of the incubation work to get companies going. He explained, the rules provide for a competitive process to choose organizations for the program.

**Ms. Toledo-Vickers indicated that the rules are consistent and there is a pattern to the requirements of the rules.**

**Mr. Buonanno reiterated that it is important to make the programs easy to access for small business.**

**Ms. Toledo-Vickers indicated that a technology platform might be helpful to making connections between businesses and potential partners.**

**Secretary Pryor commented that the corporation intends to incorporate technology platforms to help businesses easily access the programs. He further explained that these programs are intended to work together in the innovation space and hopefully they are signaling that there is more to come.**

**Ms. Lovejoy asked the Secretary to explain the application process in terms of transparency and fairness.**

**The Secretary indicated that the rules provide for a formal application process and in particular with the Networking Matching Grant Program there is a focus on the experience of organizations.**

**Mr. Hebert stated that it appears that all the programs have a robust application process and flexibility to discern the appropriateness of**

an incentive for a particular applicant. He asked whether there would be group determination on the qualification of specific applicants.

Secretary Pryor indicated that in some instances the process would be rolling or iterative, but for this grant program there would be an application process with a deadline and given the initial amount of funding likely one set of decisions. He stated that there would be an RFP process; applicants would be chosen on a competitive basis and it would be a group decision.

The Secretary next moved on to discuss the Industry Cluster Grant Program. He explained that there is a focus on having industries organizing themselves and articulating their needs collectively. The needs are then met through the grant program. The Secretary gave as an example of a similar program, the Real Jobs Rhode Island program run by the Department of Labor and Training.

Mr. Buonanno inquired how the programs as a whole were going to be marketed to the business community. The Secretary indicated that there was an appropriation made of \$1 million for business related marketing, which will focus on both a generically positive image of the state and these programs.

Mr. Hebert asked if the staff at the corporation was prepared to work with businesses on all these new programs. The Secretary responded that Mr. Early is focused on a business concierge service

but also the corporation needs to build capacity and an item on the agenda is to consider hiring a recruiter to help build the team. Mr. Early commented on the efforts to date in relation to the corporation's existing endeavors and the expectations moving forward.

Mr. Buonanno indicated that if there were no further questions he would entertain a motion.

Upon motion duly made by Mr. Nee and seconded by Dr. Carriuolo, the following vote was adopted:

**VOTED:** To approve the promulgation of rules in relation to the Tax Stabilization Incentive Program, Innovation Network Matching Grant Program, Innovation Voucher Program and Industry Cluster Grant Program, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit B.

**4. TO CONSIDER FOR APPROVAL THE ENGAGEMENT OF A STAFF**



## **RECRUITMENT FIRM**

**Mr. Pryor explained that the corporation issued an RFP for recruitment services and had received excellent responses from both national and local firms. He indicated that the proposal being recommended to the Board was from a local Rhode Island company, O'Neill Consulting.**

**The Secretary went on to explain the O'Neill group's qualifications, including successful searches for local, national and international companies. He further discussed that O'Neill offered an extremely competitive flat fee of \$175,000 for six full executive level searches and fifteen mid-level, junior level positions.**

**Mr. Nee inquired as to the time-frame. Mr. Early indicated that it would be a several months to fill out the positions.**

**Upon motion duly made by Mr. Nee and seconded by Ms. Toledo-Vickers, the following vote was adopted:**

**VOTED: To approve a recruiter, pursuant to the Resolution submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit C.**

**5. TO CONSIDER FOR APPROVAL A CHANGE IN THE AMOUNT OF FUNDING IN RELATION TO SERVICES PROVIDED BY HR&A ADVISORS INC., AND CONVENTIONS SPORTS & LEISURE INTERNATIONAL, LLC**

**Secretary Pryor explained the purpose of the request to the Board is to reallocate funding as there is a need to focus on the broader vision on the 195 corridor and less on the stadium specialist. He detailed the additional work HR&A would be performing.**

**Ms. Lovejoy asked the Secretary to tie this back to Brookings and other consultants working with the state. He explained how the consultants are working together to provide data to HR&A to permit the completion of this additional study.**

**Ms. Toledo-Vickers inquired whether the HR&A would be a best use study of the property and the Secretary indicated that was the case.**

**Upon motion duly made by Mr. Nee and seconded by Ms.**

**Toledo-Vickers, the following vote was adopted:**

**VOTED: To approve a change in the amount of funding in relation to services provided by HR&A Advisors, Inc. and Conventions Sports & Leisure International, LLC, pursuant to the Resolution submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit D.**

## **6. TO CONSIDER FOR APPROVAL THE ENGAGEMENT OF BUSINESS DEVELOPMENT PROVIDERS**

**The Secretary explained that the corporation now has the tools and will need to attract out-of-state businesses and focus on growing Rhode Island businesses. He explained that an RFP was issued to provide support to governmental entities in relation to business attraction services. He also indicated that part of the RFP, the**

**corporation also sought personnel support.**

**The Secretary introduced Dan Jennings to discuss the two proposals from ROI Research on Investment (“ROI”) and Dunn & Bradstreet (“D&B”).**

**Mr. Jennings detailed the services to be provided by ROI, which will include both in state and out-of-state leads for business attraction or expansion as well as staffing in the interim of up to 100 hours per month. He noted that ROI not only provided the best proposal in terms of provision of services but also was the lowest price.**

**Mr. Early explained the advantages of the D&B product and the ability that the staff will have to couple the work by ROI with the data provided by D&B.**

**Mr. Hebert inquired whether the D&B product had any similarity with the existing salesforce product that the corporation could access. Mr. Early explained the differences between the salesforce product and D&B including the level of detail including financial information only available with the D&B software. He further discussed how the two products can be used together, but reiterated that the D&B product was better positioned in many respects.**

**Mr. Kelly noted that he was pleased to see a focus not only on out-of-state prospects but a concentration on existing Rhode Island**

**businesses.**

**Upon motion duly made by Dr. Carriuolo and seconded by Mr. Nee, the following vote was adopted:**

**VOTED: To approve the engagement of business development providers, pursuant to the Resolution submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit E.**

## **7. TO CONSIDER A GRANT TO THE URI FOUNDATION**

**Secretary Pryor explained that the corporation is always looking for expertise in the economic development field and that the URI Foundation is willing to provide support in the corporation's efforts. He described that the grant will allow Katherine Flynn of the URI Foundation to provide support to the corporation.**

**Mr. Nee noted that this type of relationship can potentially be expanded in relation to all colleges and universities.**

**Mr. Hebert asked what the expected outcomes were as a result of the grant. The Secretary discussed the roles Ms. Flynn will likely play and expected impact of the grant on the corporation and the Executive Office of Commerce.**

**Ms. Kaplan commented that it was a great idea to have someone with depth and experience in the Rhode Island market to add expertise to the commerce team.**

**Upon motion duly made by Ms. Kaplan and seconded by Mr. Nee, the following vote was adopted:**

**VOTED: To approve a grant to the URI Foundation, pursuant to the Resolution submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, George Nee and Vanessa Toledo-Vickers.**

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**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit F.**

**Vote to Adjourn.**

**There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:18 p.m., upon motion made by Mr. Nee and seconded by Ms. Toledo-Vickers.**

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**Thomas Carlotto, Secretary**